

Exhibit K

State of New York
Division of Housing and Community Renewal
Office of Rent Administration

Gertz Plaza
92-31 Union Hall Street
Jamaica, NY 11433
(718)739-6400

Docket Number
UH410165R

Order Finding Rent Overcharge
(Rent Stabilized Accommodation in New York City)

Mailing Address of Tenant:

Hadley Hoyte/Zachary Roberts &
Name: Raymond Andrew Stahl - David
Number &
Street: 516 West 143rd Street, Apt. 4E
City, State,
Zip: New York, N.Y. 10031

Mailing Address of Owner/Rep.:

Name: 516 Realty N.Y. LLC
Number &
Street: P.O. Box 1919
City, State,
Zip: New York, N.Y. 10116

Subject Building (If Different From Tenant's Mailing Address):

Same as above

Number & Street

Apt. No.

City, State, Zip Code

Raymond Andrew Stahl-David filed an overcharge complaint challenging the rent of \$1,850.00 charged and collected by the owner on August 25, 2006. The tenant stated that there were three (3) co-tenants residing in the subject apartment as of August 26, 2006. In support of his claim, the tenant submitted their vacancy lease at the rental of \$1,850 with a security deposit of \$1,850.00, listing Raymond Andrew Stahl-David, Hadley Hoyte, and Zachary Roberts as tenants of record.

On September 1, 2006, Zachary Roberts moved out of the apartment and the remaining tenants, Raymond Andrew Stahl-David and Hadley Hoyte have been in residency to date. On June 26, 2006, the owner offered the tenants, Roberts Zachary and Hadley Hoyte, a renewal lease dated June 28, 2006 to commence October 1, 2006 at the rental of \$1,928.63 which the tenants refused to sign and filed an overcharge complaint.

Rental payments were received from the applicant in the form of the owner's billing records and were used as the basis of the overcharge calculation. The record shows that the tenants started paying a rent of \$1,928.63 effective October 1, 2006 pursuant to the lease offer by the owner.

The owner was served with a copy of the tenant's complaint with all submissions and was afforded an opportunity to respond and submit copies of leases/and or rent ledgers in effect on the base date for this proceeding as requested in notices dated September 8, 2006 and January 16, 2007. To date, the owner has failed to respond. Therefore, the legal regulated rent has been established by using the procedure involving the lowest rent of the three methods shown on the attached Default Rent Computation Chart, attached which is made a part of this order. The legal regulated rent is established as of September 1, 2005 in the amount of \$534.29. The rent has been frozen at the established amount until the next lease renewal.

The base date for this complaint is August 25, 2002, which is four years prior to the filing of the complaint.

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Pursuant to the Rent Stabilization Code, the Rent Administrator finds that a rent overcharge occurred as shown on the attached Rent Calculation Chart.

The owner has failed to prove that the overcharge was not willful. Therefore, treble damages have been imposed on the overcharge collected.

Due to the difference in the occupancy period of the three (3) co-tenants, the total overcharge award is prorated as per the attached schedule to reflect the owner's responsibility to refund each tenant separately the awarded overcharge amount.

The owner is directed to roll back the rent to the legal regulated rent, to re compute the current rent based thereon and offer Raymond Andrew Stahl-David and Hadley Hoyte a lease renewal based on this determination, and to make a full refund or credit to the tenants of any rent paid in excess of the legal regulated rent and any security in excess of such rent, as shown on the attached charts.

In the event that a Petition for Administrative Review against this Order is not filed within thirty-five (35) days of its issuance and the owner does not refund to the tenant the excess rent and/or security deposit as hereinabove directed, then the tenant may either:

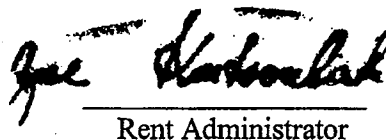
- a. Credit no more than 20% of the overcharge (or in the event that 20% of the overcharge exceeds one month's rent, the tenant shall credit the established rent) each month until the overcharge is fully credited; or
- b. File and enforce this Order as a judgment.

The owner is directed to reflect the findings and determinations made in this order on all future registration statements, citing this order as the basis for the change. The owner is also directed to amend, within 60 days of the issuance of this order, all registrations already on file for the subject apartment for years commencing after the base date for this proceeding to reflect the findings and determinations made in this order. However, in the event that the owner or tenant files a petition for administrative review (PAR) against this order, no amended registrations should be filed until an order is issued deciding the PAR.

Attachment: Default Rent Computation Chart, Rent Calculation Chart and Prorated Overcharge amount Schedule

JUL 20 2007

Date Issued


Rent Administrator

cc: 516 Realty NY. Pinnacle Management
1 Penn Plaza, Suite 4000
New York, N.Y. 10119

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DEFAULT RENT COMPUTATION

Premises: 516 West 143rd Street
New York, NY 10031
Apartment: 4E
Tenant: Raymond Andrew - Stahl David

The lawful stabilized rent is established as follows:

1) The lowest stabilized rent for the same size apartment as the subject apartment (as indicated on the Division's apartment registration), without guideline adjustment for the complainant's vacancy lease.

The lowest stabilized rent of \$534.29.
Apartment number: 5E.

2) The complaining tenant's initial rent, minus the supplementary allowance, initial guidelines adjustment and vacancy allowance lawfully chargeable when the tenant took occupancy.

The complaining tenant's vacancy rent of \$ 1,850.00.

minus statutory vacancy increase of 18 % \$282.20
and vacancy allowance of 0 %
pursuant to Rent Guidelines
Board Order Number 36 = \$ 1,567.80.

3) The name of the prior tenant: Amelia Smith.
Last rent paid by the prior tenant: \$ 1,750.00.

Computation under Method Number 1 results in the lowest amount and is used to establish the initial regulated rent.

The initial regulated rent is \$534.29.

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**Prorated Overcharge Award Schedule
Among Occupants Of Apartment No. 4E**

| Overcharge Period | Tenants | | | Total Overcharge |
|---|---|--------------------|--------------------|---------------------|
| | Raymond A. Stahl-David | Hadley Hoyte | Zachary Roberts | |
| 9/1/2005 - 8/31/2006: | \$15,788.52 | \$15,788.52 | \$15,788.52 | \$47,365.56 |
| Rent Paid | \$1,850.00 | | | |
| Legal Rent | \$ 534.29 | | | |
| Excess Rent. = $\frac{\$1,315.71}{12 \text{ months}}$ | $\frac{\$1,315.71}{12 \text{ months}} = \$15,788.52 \times$ | | | |
| 3(Treble damages) | \$47,365.56 | | | |
| 9/01/2006 - 09/30/2006: | \$1,973.57 | \$1,973.56 | Vacated | \$3,947.13 |
| Rent paid | \$1,850.00 | | | |
| Legal rent | \$ 534.29 | | | |
| Excess Rent $\frac{\$1,315.71}{10 \text{ months}}$ | $\frac{\$1,315.71}{10 \text{ months}} = \$13,943.40 \times$ | | | |
| 3(Treble damages) | \$3,947.13 | | | |
| 10/1/2006 - 07/31/2007: | \$20,915.10 | \$20,915.10 | Vacated | \$41,830.20 |
| Rent Paid | \$1,928.63 | | | |
| Legal Rent | \$ 534.29 | | | |
| Excess Rent $\frac{\$1,394.34}{10 \text{ months}}$ | $\frac{\$1,394.34}{10 \text{ months}} = \$13,943.40 \times$ | | | |
| 3(Treble damages) | \$41,830.20 | | | |
| Excess Security (\$1,394.34): | \$464.78 | \$464.78 | \$464.78 | \$1,394.34 |
| Total Overcharge | \$39,141.97 | \$39,141.96 | \$16,253.30 | \$94,537.23 |

Based on the above prorated schedule, Raymond Andrew Stahl-David is entitled to an overcharge award of \$39,141.97, Hadley Hoyte is entitled to an overcharge award of \$39,141.96, and Zachary Roberts is entitled to an overcharge award of \$16,253.30.